

# GOVERNMENT OF ANDHRA PRADESH

## ABSTRACT

**Cooperation-- Permission for the Waiver of Arrear Audit Fees amounting to Rs. 44.33 Crores pertaining to the Loss Making Cooperative Institutions in the State ( upto the Audit Year 2009-2010) and for providing Cost Free Audit to all Cooperative Institutions in the State through the Departmental Auditors of the Cooperation Department --Accorded – Orders- Issued.**

AGRICULTURE AND COOPERATION ( COOP.VI) DEPT.

G.O. Ms. No. 111

Dated:17.12.2013.

Read the following:

1. From: The President & Genl. Secretary, A.P. Coop. Service Association, Hyderabad, Representation Dt. 25.06.2009.
2. From: The C.C. & RCS, A.P. Hyd., ltr. No. 14452/2009/AA1, dt. 06.05.2010.
3. From: The C.C. & RCS, A.P. Hyd., ltr. No. 14452/2009/AA1, dt. 30.03.2011.
4. From: The C.C. & RCS, A.P. Hyd., ltr. No. 14452/2009/AA4, dt. 10.11.2011..
5. From: The C.C. & RCS, A.P. Hyd., ltr. No. 14452/2009/AA4, dt. 01.10.2012.

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### ORDER:-

In the ref. 1<sup>st</sup> read above, the President/Genl. Secretary, A.P. Coop. Service Association, Hyd., have represented to Government, that most of the Coop. Societies are earning very meager operational profits and are not in a position to even meet their Establishment costs as prescribed under the Prof. Vaidyanathan Committee-NABARD "Capacity to Pay Guidelines". The President/Genl. Secretary. A.P. Coop. Service Association, Hyderabad., have represented that Conducting of Audit to the Cooperative Societies on "free of cost basis" would meet the objectives of ensuing proper maintenance of accounts by the Coop. Societies in the best interests of their members and Government also, so as, not to burden the Coop. Societies financially, and if the Audit fees in respect of the Coop. Societies receiving the Govt. aid is waived, then these societies will opt to get their accounts audited by the Departmental Auditors only, since the Audit conducted by other sources would be chargeable, which would enable to retain the posts of Departmental Auditors in the Cooperation Department.

2. In the ref. 2<sup>nd</sup> to 5<sup>th</sup> read above, the Commissioner for Cooperation & Registrar of Cooperative Societies, A.P. Hyderabad. has furnished detailed proposals in the matter, stating that, in respect of the Functioning Aided Cooperative Institutions, including the Apex Level Societies, Dist. Coop. Central Banks, Dist. Level Non Agril. Societies, PACS, & Primary Non-Agril. Coop. Societies, which are in profit and loss upto the financial year 2009-2010, **there is a total Arrear of Audit fees amounting to Rs. 10.66 Crores and Rs.44.33 Crores as on 31.03.2011, respectively, as tabulated below:**

### Arrears of Annual Audit Fees:

<u>Sl. no</u>	Particulars	Aided Societies		Un aided Coop. Societies.		<u>Total</u>	
		No.	Amount.	No.	Amount	No.	Amount
<u>1</u>	<u>Functioning Societies</u>						
	<u>[a] Socts. In Profit.</u>	<u>2569</u>	<u>1066.052</u>	<u>3432</u>	<u>151.561</u>	<u>6001</u>	<u>1217.613</u>
	<u>[b] Socts. In Loss.</u>	<u>8187</u>	<u>4432.841</u>	<u>14531</u>	<u>205.864</u>	<u>22718</u>	<u>4638.705</u>
<u>2</u>	<u>Societies Under Liquidation.</u>	<u>390</u>	<u>13.926</u>	<u>312</u>	<u>7.832</u>	<u>702</u>	<u>21.758</u>
<u>3</u>	<u>Non functioning Societies / BNA</u>	<u>2953</u>	<u>163.228</u>	<u>9356</u>	<u>100.059</u>	<u>12309</u>	<u>263.287</u>
	<u>TOTAL:</u>	<u>14099</u>	<u>5676.047</u>	<u>27631</u>	<u>465.316</u>	<u>41730</u>	<u>6141.363.</u>

4. Government after careful consideration of the circumstances stated by the Commissioner for Coopn. & Registrar of Coop. Societies, A.P. Hyderabad., in the ref. 4<sup>th</sup> read above, as a Special Case, hereby accord permission for the waiver of the Total Arrears of Audit fees in respect of the Functioning Aided Cooperative Societies which are Loss making only, {including Apex Level Societies, DCCBS, Dist. Level (Non-Agril.) Societies, PACS, & Primary Societies (Non-Agril.) amounting to Rs. 44.33 Crores, as on 31.03.2011, as detailed hereunder:-

**Loss making Aided Coop. Societies ( Functioning).**

Sl. No.	Category of Coop. Societies.	Total No. of Coop. Societies in loss for the year 2009-10	Total Arrears of Audit fees as on 31.03.2011. (Rupees in lakhs)
1	APEX Level Coop. Socts.	10	608.070
2	DCCBs	14	577.250
3	Dist. Level. Non. Agril. Socts.	125	798.378
4	PACS.	1885	2089.629
5	Primary Socts. Non .Agril	6153	359.514.
	<b>TOTAL:</b>	<b>8187</b>	<b>4432.841</b> <b>Rounded to</b> <b>Rs. 44.33 Crores.</b>

5. Government after careful examination of the matter, hereby also, accord permission for Conduct of Cost-Free Audit by the Departmental Auditors of the Cooperation Department thereafter, in respect of all the Cooperative Institutions in the State.

6. The CC & RCS, A.P. Hyderabad., shall take further necessary action in this matter. He is instructed to send necessary proposals for amending A.P. Coop. Societies Act in due course.

7. This Order issues with the concurrence of the Finance ( Exp. A & C) Dept., vide U.O.No.31359/640/A2/EAC/2013, dt. 17.12.2013.

**( BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**D SRINIVASULU**  
**PRINICIPAL SECRETARY TO GOVERNMENT.**

To,

The Commissioner for Coopn. & Registrar of Coop. Societies, A.P. Hyderabad

**Copy to:**

The CGM of NABARD. Hyderabad

The M.D./CEO of APCOB. Ltd. Hyderabad.,

The M.D. of all APEX Coop. Institutions in the State (through the CC & RCS, Hyderabad.)

The CGM of NABARD. Hyderabad.

The Accountant General, A.P. Hyderabad.

The D.G. Vigilance & Enforcement. Dept., A.P. Hyderabad.

**The President/ Genl. Secretary, A.P. Coop. Service Association. Hyderabad.**

S.F/SCC/

**//FORWARDED:: BY ORDER //**

**SECTION OFFICER.**